



July 26, 2010

Office of the Comptroller of the Currency  
250 E Street, SW, Mail Stop 1-5  
Washington, DC 20219

Docket ID OCC-2010-10

Ms. Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

Docket No. R-1387

Mr. Robert E. Feldman, Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

RIN 3064-AD60

Regulation Comments  
Chief Counsel's Office  
Office of Thrift Supervision  
1700 G Street, NW  
Washington, DC 20552

OTS-2010-0017

Dear Sirs and Madams,

The National Association of Affordable Housing Lenders (NAAHL) represents America's leaders in moving private capital to those in need, 80 organizations committed to increasing lending and investing private capital in low and moderate-income (LMI) communities. This "who's who" of private sector lenders and investors includes major banks, blue-chip non-profit lender CDFIs, and others in the vanguard of affordable housing.

The agencies' proposed rule, to offer favorable Community Reinvestment Act (CRA) consideration to insured depositories that provide loans, investments, and services in support of designated Neighborhood Stabilization Program (NSP) activities, can contribute to economic recovery. CRA has a successful track record of promoting public-private partnerships to expand affordable housing and generate community and economic development in the United States.

NAAHL supports this proposed change. Our comments are as follows.

- Regulators' CRA focus has been, and should continue to be, on LMI households and neighborhoods. In designated disaster areas such as the GO Zone, however, the rule has been expanded to address extraordinary needs for the period of the designation. We support the proposal to redefine "community development" to encompass activities conducted in designated target areas identified in plans approved by HUD under the Neighborhood Stabilization Program. We agree with the proposed sunset.
- We support providing favorable CRA consideration for NSP projects outside of assessment areas, where the institution has adequately addressed the needs of its assessment areas.
- We suggest that the rule might also establish some parameters for assessing middle income community development needs that qualify. For example, the rule could require that only if 20% of a middle income neighborhood's homes are in foreclosure, would activities aiding that neighborhood receive favorable consideration.

We appreciate the motivation for proposing this rule. We also reiterate NAAHL's longstanding recommendations that the CRA rules for banks over \$1 billion in assets should be updated to refocus on community development.

If we can provide any additional information, please do not hesitate to contact us.

Sincerely,

Judy Kennedy  
President and CEO



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